
HOUSE BILL No. 1594

DIGEST OF INTRODUCED BILL

Citations Affected: IC 9-17-3; IC 9-18-26-10.

Synopsis: Used motor vehicle titles. Requires a motor vehicle dealer, under certain circumstances, to furnish a valid certificate of title to a purchaser or transferee not more than 50 days after the date of sale or transfer.

Effective: July 1, 2003.

Duncan, Herrell

January 16, 2003, read first time and referred to Committee on Roads and Transportation.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1594

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 9-17-3-3 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) If a vehicle for which a
3 certificate of title has been issued is sold or ~~has~~ **if the ownership of the**
4 **vehicle is otherwise** transferred, the person who holds the certificate
5 of title must do the following:

6 (1) Endorse on the certificate of title an assignment of the
7 certificate of title with warranty of title, in a form printed on the
8 certificate of title, with a statement describing all liens or
9 encumbrances on the vehicle.

10 (2) Except as provided in subdivisions (3) and (4), deliver the
11 certificate of title to the purchaser or transferee at the time of the
12 sale or delivery to the purchaser or transferee of the vehicle, if the
13 purchaser or transferee has made all agreed upon initial payments
14 for the vehicle, including delivery of a trade-in vehicle without
15 hidden or undisclosed statutory liens.

16 (3) In the case of a sale or transfer between vehicle dealers
17 licensed by this state or another state, deliver the certificate of



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1 title within twenty-one (21) days after the date of the sale **or**
 2 **transfer.**

3 (4) Deliver the certificate of title to the purchaser or transferee
 4 within ~~twenty-one (21)~~ **fifty (50)** days after the date of sale **or**
 5 **transfer** to the purchaser or transferee of the vehicle, if all of the
 6 following conditions exist:

7 (A) The seller or transferor is a vehicle dealer licensed by the
 8 state under IC 9-23.

9 (B) The vehicle dealer is not able to deliver the certificate of
 10 title at the time of sale **or transfer.**

11 (C) The vehicle dealer reasonably believes that it will be able
 12 to deliver the **certificate of** title, without a lien or an
 13 encumbrance on the **certificate of** title, within the ~~twenty-one~~
 14 ~~(21)~~ **fifty (50)** day period.

15 (D) **If the seller or transferor is unable to deliver the**
 16 **certificate of title within thirty-one (31) days after the sale**
 17 **or transfer,** the vehicle dealer provides the purchaser or
 18 transferee with an affidavit under section 3.1 of this chapter.

19 (E) The purchaser or transferee has made all agreed upon
 20 initial payments for the vehicle, including delivery of a
 21 trade-in vehicle without hidden or undisclosed statutory liens.

22 (b) A licensed dealer may offer for sale a vehicle for which the
 23 dealer does not possess a certificate of title, if the dealer can comply
 24 with subsection (a)(3) or (a)(4) at the time of the sale.

25 (c) A vehicle dealer who fails to deliver a certificate of title within
 26 the time specified under this section is subject to the following civil
 27 penalties:

28 (1) One hundred dollars (\$100) for the first violation.

29 (2) Two hundred fifty dollars (\$250) for the second violation.

30 (3) Five hundred dollars (\$500) for all subsequent violations.

31 Payment shall be made to the bureau and deposited in the state general
 32 fund. In addition, if a purchaser or transferee does not receive a valid
 33 certificate of title within the time specified by this section, the
 34 purchaser or transferee shall have the right to return the vehicle to the
 35 vehicle dealer ten (10) days after giving the vehicle dealer written
 36 notice demanding delivery of a valid ~~title~~ **certificate of title** and the
 37 dealer's failure to deliver a valid ~~title~~ **certificate of title** within that ten
 38 (10) day period. Upon return of the vehicle to the dealer in the same or
 39 similar condition as delivered to the purchaser or transferee under this
 40 section, the vehicle dealer shall pay to the purchaser or transferee the
 41 purchase price plus sales taxes, finance expenses, insurance expenses,
 42 and any other amount paid to the dealer by the purchaser. If the dealer's

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inability to timely deliver a valid certificate of title results from the acts or omissions of a third party who has failed to timely deliver a valid certificate of title to the dealer, the dealer is entitled to claim against the third party all damages sustained by the dealer in rescinding the dealer's sale with the purchaser or transferee, including the dealer's reasonable attorney's fees.

(d) If a vehicle for which a certificate of title has been issued by another state is sold or delivered, the person selling or delivering the vehicle must deliver to the purchaser or receiver of the vehicle a proper certificate of title with an assignment of the certificate of title in a form prescribed by the bureau.

(e) The original certificate of title and all assignments and subsequent reissues of the certificate of title shall be retained by the bureau and appropriately classified and indexed in the most convenient manner to trace title to the vehicle described in the certificate of title.

SECTION 2. IC 9-17-3-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3.1. The affidavit required by IC 9-17-3-3(a)(4) shall be printed in the following form:

STATE OF

INDIANA)

) ss:

COUNTY OF _____)

I affirm under the penalties for perjury that all of the following are true:

(1) That I am a dealer licensed under IC 9-23-1.

(2) That I cannot deliver a valid certificate of title to the retail purchaser of the vehicle described in paragraph (3) at the time of sale of the vehicle to the retail purchaser. The identity of the previous seller or transferor is _____.

I expect to deliver a valid and transferable certificate of title ~~on~~ **or about (day) _____ no later than (date) _____** from the (State of) _____ to the purchaser.

(3) That I will undertake reasonable commercial efforts to produce the valid certificate of title. The vehicle identification number is _____.

Signed _____, Dealer

By _____

Dated _____, _____

CUSTOMER ACKNOWLEDGES RECEIPT OF A COPY OF THIS AFFIDAVIT.

Customer Signature

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NOTICE TO THE CUSTOMER

If you do not receive a valid certificate of title within the time specified by this affidavit, you have the right to return the vehicle to the vehicle dealer ten (10) days after giving the vehicle dealer written notice demanding delivery of a valid certificate of title and after the vehicle dealer's failure to deliver a valid certificate of title within that ten (10) day period. Upon return of the vehicle to the vehicle dealer in the same or similar condition as when it was delivered to you, the vehicle dealer shall pay you the purchase price plus sales taxes, finance expenses, insurance expenses, and any other amount that you paid to the vehicle dealer.

SECTION 3. IC 9-18-26-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. (a) The bureau may issue an interim license plate to a dealer or manufacturer who is licensed and has been issued a license plate under section 1 of this chapter.

(b) The bureau shall prescribe the form of an interim license plate issued under this section. However, a plate must bear the assigned registration number and provide sufficient space for the expiration date as provided in subsection (c).

(c) Whenever a dealer or manufacturer sells a motor vehicle, the dealer or manufacturer may provide the buyer with an interim license plate. The dealer shall, in the manner provided by the bureau, affix on the plate in numerals and letters at least three (3) inches high the date on which the interim license plate expires.

(d) An interim license plate authorizes a motor vehicle owner to operate the vehicle for a maximum period of thirty-one (31) days after the date of delivery of the vehicle to the vehicle's owner or until a regular license plate is issued, whichever occurs first.

(e) **An interim license plate issued under this section may be renewed one (1) time only for a period of twenty (20) days, if the vehicle dealer:**

(1) is unable to deliver the certificate of title; and

(2) follows the procedure set forth in IC 9-17-3-3(a)(4)(D).

(f) A motor vehicle that is required by law to display license plates on the front and rear of the vehicle is only required to display a single interim plate.

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